

SENATE MOTION

MADAM PRESIDENT:

I move that Senate Bill 312 be amended to read as follows:

- 1 Page 6, between lines 4 and 5, begin a new paragraph and insert:
2 "SECTION 5. IC 5-10-8-2.6, AS AMENDED BY P.L.1-2005,
3 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2008]: Sec. 2.6. (a) This section applies only to local unit
5 public employers and their employees. This section does not apply to
6 public safety employees, surviving spouses, and dependents covered by
7 section 2.2 of this chapter.
8 (b) A public employer may provide programs of group insurance for
9 its employees and retired employees. The public employer may,
10 however, exclude part-time employees and persons who provide
11 services to the unit under contract from any group insurance coverage
12 that the public employer provides to the employer's full-time
13 employees. A public employer may provide programs of group health
14 insurance under this section through one (1) of the following methods:
15 (1) By purchasing policies of group insurance.
16 (2) By establishing self-insurance programs.
17 (3) By electing to participate in the local unit group of local units
18 that offer the state employee health plan under section 6.6 of this
19 chapter.
20 A public employer may provide programs of group insurance other
21 than group health insurance under this section by purchasing policies
22 of group insurance and by establishing self-insurance programs.
23 However, the establishment of a self-insurance program is subject to
24 the approval of the unit's fiscal body.
25 (c) A public employer may pay a part of the cost of group insurance.
26 ~~but~~ **However, a public employer may not pay any part of the cost**
27 **of a group health insurance program for a retired employee. A**
28 **public employer** shall pay a part of the cost of group life insurance for
29 local employees. A public employer may pay, as supplemental wages,
30 an amount equal to the deductible portion of group health insurance as
31 long as payment of the supplemental wages will not result in the

1 payment of the total cost of the insurance by the public employer.

2 (d) An insurance contract for local employees under this section
3 may not be canceled by the public employer during the policy term of
4 the contract.

5 (e) After June 30, 1986, a public employer shall provide a group
6 health insurance program under subsection (g) to each retired
7 employee:

8 (1) whose retirement date is:

9 (A) after May 31, 1986, for a retired employee who was a
10 teacher (as defined in IC 20-18-2-22) for a school corporation;

11 or

12 (B) after June 30, 1986, for a retired employee not covered by
13 clause (A);

14 (2) who will have reached fifty-five (55) years of age on or before
15 the employee's retirement date but who will not be eligible on that
16 date for Medicare coverage as prescribed by 42 U.S.C. 1395 et
17 seq.;

18 (3) who will have completed twenty (20) years of creditable
19 employment with a public employer on or before the employee's
20 retirement date, ten (10) years of which must have been
21 completed immediately preceding the retirement date; and

22 (4) who will have completed at least fifteen (15) years of
23 participation in the retirement plan of which the employee is a
24 member on or before the employee's retirement date.

25 (f) A group health insurance program required by subsection (e)
26 must be equal in coverage to that offered active employees and must
27 permit the retired employee to participate if the retired employee pays
28 an amount equal to the total of the employer's and the employee's
29 premiums for the group health insurance for an active employee and if
30 the employee, within ninety (90) days after the employee's retirement
31 date files a written request with the employer for insurance coverage.
32 ~~However, the employer may elect to pay any part of the retired~~
33 ~~employee's premiums.~~

34 (g) A retired employee's eligibility to continue insurance under
35 subsection (e) ends when the employee becomes eligible for Medicare
36 coverage as prescribed by 42 U.S.C. 1395 et seq., or when the
37 employer terminates the health insurance program. A retired employee
38 who is eligible for insurance coverage under subsection (e) may elect
39 to have the employee's spouse covered under the health insurance
40 program at the time the employee retires. If a retired employee's spouse
41 pays the amount the retired employee would have been required to pay
42 for coverage selected by the spouse, the spouse's subsequent eligibility
43 to continue insurance under this section is not affected by the death of
44 the retired employee. The surviving spouse's eligibility ends on the
45 earliest of the following:

46 (1) When the spouse becomes eligible for Medicare coverage as
47 prescribed by 42 U.S.C. 1395 et seq.

1 (2) When the employer terminates the health insurance program.

2 (3) Two (2) years after the date of the employee's death.

3 (4) The date of the spouse's remarriage.

4 (h) This subsection does not apply to an employee who is entitled
5 to group insurance coverage under IC 20-28-10-2(b). An employee
6 who is on leave without pay is entitled to participate for ninety (90)
7 days in any group health insurance program maintained by the public
8 employer for active employees if the employee pays an amount equal
9 to the total of the employer's and the employee's premiums for the
10 insurance. However, the employer may pay all or part of the employer's
11 premium for the insurance.

12 (i) A public employer may provide group health insurance for
13 retired employees or their spouses not covered by subsections (e)
14 through (g) and may provide group health insurance that contains
15 provisions more favorable to retired employees and their spouses than
16 required by subsections (e) through (g). **However, a public employer**
17 **may not pay any part of the cost to a retired employee or a retired**
18 **employee's spouse of participating in group health insurance.** A
19 public employer may provide group health insurance to an employee
20 who is on leave without pay for a longer period than required by
21 subsection (h), and may continue to pay all or a part of the employer's
22 premium for the insurance while the employee is on leave without
23 pay."

24 Page 16, after line 40, begin a new paragraph and insert:

25 "SECTION 29. [EFFECTIVE JULY 1, 2008] **(a) As used in this**
26 **SECTION, "local unit" and "public employer" have the meanings**
27 **set forth in IC 5-10-8-1.**

28 **(b) IC 5-10-8-2.6, as amended by this act, does not apply to an**
29 **agreement, a contract, or any other arrangement entered into**
30 **before July 1, 2008, by a local unit public employer.**

31 **(c) IC 5-10-8-2.6, as amended by this act, applies to an**
32 **agreement, a contract, or any other arrangement, including the**

1 **amendment or renewal of an agreement, contract, or other**
2 **arrangement, entered into after June 30, 2008, by a local unit**
3 **public employer."**

4 Renumber all SECTIONS consecutively.
 (Reference is to SB 312 as printed January 25, 2008.)

Senator ZAKAS